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THE ECONOMIC IMPACT OF THE PAKISTAN SUPER LEAGUE (PSL) ON PAKISTAN'S NATIONAL ECONOMY

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Abstract

The Pakistan Super League (PSL) has developed from a professional cricket competition into a major commercial and socio-economic activity in Pakistan. This study examines the perceived economic impact of PSL on Pakistan's national economy, with particular attention to match operations, sponsorship and advertising, franchise investment, national revenue, employment generation, investment inflows, and enhancement of Pakistan's country image. A quantitative, cross-sectional research design was adopted. Primary data were collected through a structured five-point Likert-scale questionnaire from stakeholders associated with PSL activities, including sports management personnel, business owners, media professionals and PSL-related employees. The study used descriptive statistics, reliability analysis, correlation, regression and ANOVA through SPSS. The findings indicate a consistently positive perception of PSL's economic contribution. Match operations recorded an overall mean of 4.18, sponsorship and advertising 4.30, franchise investment 4.09, national revenue 4.19, employment generation 4.25, investment inflows 4.11, and country-image enhancement 4.40. Reliability coefficients ranged from 0.77 to 0.85, indicating acceptable to strong internal consistency. Correlation results showed significant positive associations between match operations, sponsorship and advertising, franchise investment, and overall economic impact. Regression results further indicated significant positive effects of these PSL components on national economic impact. All four hypotheses were accepted in the thesis. The study concludes that PSL functions as more than a sporting event: it operates as an economic platform linking cricket with media, hospitality, transport, advertising, employment, investment and national branding. However, the findings should be interpreted cautiously because the study relies substantially on perceptual and cross-sectional data and does not quantify the league's exact contribution to GDP or long-term national income.

1. Introduction

Sports have increasingly become an important component of the modern service and entertainment economy. Professional leagues generate financial activity through broadcasting, sponsorship, ticketing, franchising, merchandising and event operations, while their wider effects extend to hospitality, transportation, media, advertising and retail. The literature reviewed in the thesis conceptualizes these effects as direct, indirect and induced economic impacts. Direct effects arise from expenditure and revenues directly associated with sport; indirect effects emerge through demand in supporting industries; and induced effects occur when income generated through sport-related activities is subsequently

spent in the wider economy (Baade & Matheson, 2016; Fort & Maxcy, 2018).

Within Pakistan, the Pakistan Super League represents one of the most visible examples of the commercialization of sport. The Pakistan Cricket Board introduced PSL in 2015, and the league subsequently developed into a commercially significant professional cricket competition. Its franchise structure connects private investment, sponsorship, media rights and sporting operations. The thesis argues that the economic relevance of PSL extends beyond the cricket stadium because matches create demand for hotels, restaurants, transport providers, local vendors, security services, event management, broadcasting and digital media. Host cities such as Lahore, Karachi, Rawalpindi and Multan may therefore experience short-term increases in commercial activity during the tournament period.

The economic significance of PSL is also connected with employment. The league requires professional and temporary labour in team management, event operations, security, hospitality, transport, media production, marketing and other support services. In addition, franchise investment may encourage private-sector participation and generate business opportunities for small and medium enterprises. Such effects are important in a developing economy where employment creation and diversification of economic activity are continuing policy concerns.

Another dimension identified in the thesis is the potential relationship between PSL and investment and national image. International players, international media exposure, corporate sponsorship and the successful organization of matches in Pakistan can contribute to perceptions of the country as capable of hosting major sporting events. Sports can therefore operate as an element of soft power and destination branding (Grix & Houlihan, 2014; Nye, 2008). However, positive perceptions should not automatically be treated as proof of a measurable increase in GDP, foreign direct investment or long-term tourism. This distinction is important when interpreting economic-impact studies.

2. Problem Statement and Research Gap

Although PSL has become commercially successful and widely popular, the thesis identifies a shortage of systematic empirical evidence concerning its overall economic contribution to Pakistan. Existing discussions often focus on revenue, entertainment value, fan engagement or isolated commercial activities rather than integrating the multiple channels through which a professional league can affect an economy. In particular, there is limited evidence combining revenue generation, employment, tourism, investment, infrastructure, business activity and national image within one analytical framework.

The literature on major sporting events also cautions against assuming that every observed economic activity represents additional economic growth. Some expenditure may simply be shifted from other activities, benefits may be concentrated in host cities, and temporary employment may not translate into permanent labour-market gains. Crompton (2004) and Coates and Humphreys (2008), as discussed in the thesis, emphasize the need to consider opportunity costs and methodological limitations when estimating the economic benefits of sport. The present study therefore addresses a contextual gap by examining stakeholder perceptions of several PSL-related economic dimensions in Pakistan.

3. Objectives of the Study

1. To examine the direct economic impact of the Pakistan Super League on Pakistan's national economy.
2. To evaluate the contribution of PSL to employment generation, tourism and business activities.
3. To analyse the role of PSL in attracting foreign investment and enhancing Pakistan's international image.
4. To identify major challenges that may limit the economic potential of PSL.
5. To recommend policy measures for maximizing the economic contribution of PSL to Pakistan's economy.

4. Research Hypotheses

H1: The Pakistan Super League has a significant direct economic impact on Pakistan's national economy.

H2: The Pakistan Super League contributes significantly to employment, tourism and related business activities.

H3: The Pakistan Super League plays a significant role in attracting investment and enhancing Pakistan's international image.

H4: The Pakistan Super League contributes significantly to overall economic growth in Pakistan.

5. Literature Review

5.1 Sports Economics and Economic Impact

Sports economics examines the production, distribution and consumption of sport-related goods and services and the behaviour of organizations, consumers, workers and governments involved in sport. Professional leagues operate as economic institutions through broadcasting rights, sponsorships, ticket sales, merchandising and franchise ownership. These activities can generate employment and government revenue while also stimulating supporting industries (Fort & Maxcy, 2018).

Economic impact studies commonly distinguish direct, indirect and induced effects. Direct effects include ticket sales, broadcasting revenue, sponsorships, franchise-related revenues and operational expenditure. Indirect effects arise when sport increases demand for hotels, restaurants, transportation, food services, advertising, retail and media production. Induced effects occur when wages and business income generated through these activities are re-spent in the wider economy, creating a multiplier process (Baade & Matheson, 2016).

5.2 Professional Leagues, Tourism and Employment

Recurring professional leagues differ from one-time mega-events because their commercial activities are repeated across seasons. The thesis literature indicates that repeated sporting activity can support continuing sponsorship relationships, media arrangements, franchise investment and tourism demand. Sport tourism research similarly suggests that sporting events can diversify destinations and increase spending on accommodation, food, transport and entertainment (Higham & Hinch, 2018).

Employment is another important channel. Sport events can generate direct jobs within teams and event organizations and indirect jobs in security, hospitality, transport, media, marketing and retail. However, the duration and quality of such employment should be considered carefully because some positions are seasonal or temporary (Gratton et al., 2005). This limitation is relevant to PSL because the survey measures stakeholder perceptions rather than a longitudinal employment census.

5.3 Investment, Sponsorship and National Image

Franchise-based leagues attract private-sector capital and create commercial relationships among teams, sponsors, media organizations and suppliers. Sponsorship and media rights can become major revenue sources, while international participation can enhance the visibility of the host country. The thesis also considers national image and soft power. Grix and Houlihan (2014) describe major sports events as potential soft-power instruments, while the thesis applies this perspective to PSL by considering the international visibility created through players, media and match organization.

At the same time, the literature does not justify an assumption that positive image automatically produces measurable foreign direct investment. Image enhancement is an indirect mechanism whose economic consequences may occur over a longer period and require separate economic measurement. Therefore, the present study treats investment inflows and country image as important perceived outcomes while acknowledging that future studies should combine survey evidence with objective financial and macroeconomic data.

6. Methodology

6.1 Research Design

The study employed a quantitative research approach with descriptive and causal elements and a cross-sectional survey design. The design was intended to assess relationships between PSL-related activities and perceived economic outcomes at a particular point in time. The conceptual framework treated PSL as the principal independent construct, represented through match operations, sponsorship and advertising, and franchise investment. Economic outcomes included national revenue, employment generation, investment inflows and enhancement of Pakistan's country image.

6.2 Population, Sample and Sampling

The thesis describes a specialized stakeholder population consisting of PCB officials, PSL franchise management staff, sponsors and advertisers, business owners in host cities, media professionals and employees participating in PSL activities. Purposive sampling was used because respondents were expected to possess knowledge of PSL and its economic consequences. The results chapter reports data from 150 respondents. The demographic distribution included 112 males (74.7%) and 38 females (25.3%); the largest age group was 31–40 years (38.7%). Occupational categories included sports management, business owners, media professionals and PSL employees.

6.3 Instrument and Data Collection

Primary data were collected through a structured questionnaire based on a five-point Likert scale ranging from Strongly Disagree to Strongly Agree. The questionnaire covered demographic information and economic dimensions including direct economic effects, employment generation, tourism and hospitality, infrastructure and urban development, foreign investment and business growth, national image and economic growth, challenges, and overall perception. Secondary information was drawn from the sources identified in the thesis, including PCB-related information, government publications and academic literature.

6.4 Validity, Reliability and Data Analysis

Content validity was supported through expert review and pilot testing. Reliability was assessed through Cronbach's Alpha, with values of 0.70 or above treated as acceptable. Data analysis was performed using SPSS and included frequencies, percentages, means, standard deviations, reliability analysis, correlation, regression and ANOVA. Ethical procedures included informed consent, voluntary participation and confidentiality.

7. Results

7.1 Demographic Profile

Variable	Category	Frequency	Percentage
Gender	Male	112	74.7%
Gender	Female	38	25.3%
Age	20–30	46	30.7%
Age	31–40	58	38.7%
Age	41–50	32	21.3%
Age	Above 50	14	9.3%
Profession	Sports Management	34	22.7%
Profession	Business Owners	41	27.3%
Profession	Media Professionals	28	18.7%
Profession	PSL Employees	47	31.3%

7.2 Descriptive Results

The descriptive analysis showed that respondents generally agreed or strongly agreed that PSL has a positive economic role. All reported construct means were above the midpoint of the five-point scale. Match operations had an overall mean of 4.18 (SD = 0.74), indicating strong agreement that matches stimulate local business activity, city-level revenue and short-term employment.

Economic Dimension	Overall Mean	SD
Match operations	4.18	0.74
Sponsorship & advertising	4.30	0.66
Franchise investment	4.09	0.78
National revenue	4.19	0.73
Employment generation	4.25	0.68
Investment inflows	4.11	0.78
Country image	4.40	0.59

Sponsorship and advertising produced an overall mean of 4.30 (SD = 0.66). Media rights contributed the highest item mean in this construct (M = 4.34), followed by major corporate sponsorships (M = 4.32). These results indicate that respondents viewed commercial media and sponsorship arrangements as major channels through which PSL contributes to economic activity.

Franchise investment recorded an overall mean of 4.09 (SD = 0.78). Respondents perceived franchise investment as supporting employment, local services, small and medium enterprises and longer-term sports investment. National revenue had an overall mean of 4.19 (SD = 0.73), with broadcasting income recording M = 4.31 and perceived government revenue contribution M = 4.20.

Employment generation had an overall mean of 4.25 (SD = 0.68). Seasonal employment recorded the highest mean within this dimension (M = 4.33), followed by event-management jobs (M = 4.28). Hospitality and transport employment were also rated positively. Investment inflows had an overall mean of 4.11 (SD = 0.78), while country-image enhancement recorded the highest overall construct mean, 4.40 (SD = 0.59). International players enhancing Pakistan's reputation had M = 4.46.

7.3 Reliability Analysis

Variable	Cronbach's Alpha
Match Operations	0.79
Sponsorship & Advertising	0.82
Franchise Investment	0.77
National Revenue	0.80
Employment Generation	0.83
Investment Inflows	0.78
Country Image	0.85

All reliability coefficients were above 0.70. The values ranged from 0.77 for franchise investment to 0.85 for country image, indicating acceptable to strong internal consistency across the study variables.

7.4 Correlation and Regression

PSL Component	Correlation with Economic Impact	Regression β	t	Sig.
Match Operations	0.61**	0.31	4.12	0.000
Sponsorship & Advertising	0.68**	0.38	5.01	0.000
Franchise Investment	0.57**	0.26	3.47	0.001

**Correlation significance reported in the thesis: $p < 0.01$.

The correlation results show positive relationships between each PSL component and economic impact. Sponsorship and advertising had the strongest reported correlation ($r = 0.68$), followed by match operations ($r = 0.61$) and franchise investment ($r = 0.57$), with significance at $p < 0.01$. Regression results also showed positive and statistically significant coefficients. Sponsorship and advertising had the largest reported standardized coefficient ($\beta = 0.38$), followed by match operations ($\beta = 0.31$) and franchise investment ($\beta = 0.26$). These results provide empirical support for the proposition that commercial and operational components of PSL are associated with stronger perceived economic outcomes.

7.5 Hypothesis Testing

Hypothesis	Statement	Result
H1	PSL has a direct economic impact.	Accepted
H2	PSL contributes to employment & tourism.	Accepted
H3	PSL attracts foreign investment.	Accepted
H4	PSL supports national economic growth.	Accepted

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8. Discussion

The findings support the central argument of the study that PSL is an economic platform rather than only a sporting competition. The high mean for match operations suggests that match-day expenditure is perceived to stimulate local commercial activity. Hotels, restaurants, transport providers, food businesses, local vendors and event-service providers can benefit from the increased demand associated with matches. This finding is consistent with the direct and indirect economic-impact framework described in sports economics literature.

Sponsorship and advertising produced the highest correlation with overall economic impact among the three main PSL components. This is theoretically plausible because professional leagues create valuable media audiences that can be commercialized through sponsorship, advertising and broadcasting. The result also reflects the thesis literature, which identifies media rights and sponsorship as central revenue mechanisms in contemporary professional sport. From a policy perspective, stronger commercial governance, transparent revenue sharing and international media marketing could increase the economic value of this channel.

The positive franchise-investment findings demonstrate the importance of private-sector participation in sports development. Franchise spending supports team management, logistics, marketing, player contracts and training facilities, creating demand for labour and services. The reported relationship with economic impact also suggests that a commercially sustainable league may reduce reliance on direct public financing while encouraging private investment. However, this interpretation remains based on stakeholder perceptions and should be tested against audited franchise-level financial information in future research.

Employment generation was another prominent result. The overall mean of 4.25 indicates strong respondent agreement that PSL creates employment. The effect spans event management, security, media and broadcasting, hospitality, transport and temporary work. Nevertheless, the thesis appropriately identifies the temporary nature of some PSL-related employment as a limitation. Seasonal employment can provide valuable income and skills, but it should not be equated automatically with permanent job creation or a sustained reduction in unemployment.

Investment inflows and country image also received positive assessments. Respondents believed that international players, international media coverage and successful event organization enhance investor confidence and Pakistan's image as a capable host of major sporting events. These findings fit the soft-power perspective in the literature. Yet, a positive image is an indirect outcome, and the study does not establish a causal monetary link between PSL and foreign direct investment, tourism receipts or GDP. Future studies should therefore connect perceptions with objective national and city-level economic indicators.

9. Conclusion

This study concludes that the Pakistan Super League has a meaningful perceived economic role in Pakistan. The evidence from the thesis shows positive responses across match operations, sponsorship and advertising, franchise investment, national revenue, employment generation, investment inflows and country image. The statistical analysis further indicates positive relationships between the principal PSL components and economic impact, while all four hypotheses were accepted.

The league's economic significance is multidimensional. It generates direct commercial flows through match operations, sponsorship, advertising, broadcasting and franchise activity. It creates indirect activity in hospitality, transport, retail, media and other services. It may also produce induced effects through the spending of income earned by people and businesses associated with PSL. In addition, its international visibility may contribute to national branding and confidence in Pakistan's ability to host international sport.

The study does not, however, demonstrate that PSL alone determines Pakistan's national economic growth or that its contribution can be represented by a specific percentage of GDP. The results are primarily based on stakeholder perceptions and cross-sectional data. Therefore, the most defensible conclusion is that PSL is an important economic contributor and a potentially valuable platform for employment, business activity, investment and national branding, while the exact magnitude of its macroeconomic contribution requires further objective measurement.

10. Recommendations

1. Government institutions should recognize professional sport as part of the wider service and entertainment economy and provide appropriate policy and infrastructure support.
2. PSL matches should be strategically distributed among suitable host cities so that economic activity is not concentrated in only a few locations.
3. Financial transparency and data sharing should be strengthened among franchises and relevant stakeholders to improve investor confidence and enable more rigorous economic-impact assessment.
4. PSL should be integrated with tourism and destination-marketing initiatives so that sporting activity can support hospitality, domestic tourism and international visitation.
5. Training and skills-development programmes should be linked with PSL-related employment in event management, hospitality, media, digital marketing, security and sports administration.
6. Digital broadcasting, international marketing and commercial partnerships should be expanded to strengthen media revenue and the league's international footprint.
7. Future economic-impact assessments should combine survey data with objective measures such as tax receipts, tourism expenditure, employment records, franchise revenues, broadcasting values, investment flows and city-level business indicators.

11. Limitations and Future Research

The thesis identifies several limitations. First, the study relies substantially on perceptual responses, which may contain respondent bias. Second, access to official financial information from PSL franchises was limited, restricting detailed financial analysis. Third, the cross-sectional design limits the ability to assess long-term effects. Fourth, the reported sample of 150 respondents may not represent all stakeholders or the national population. These limitations mean that the findings should be interpreted as evidence of perceived economic impact rather than a complete macroeconomic accounting of PSL.

Future research should adopt longitudinal designs to examine changes across multiple PSL seasons. Economic modelling could estimate the league's contribution to GDP, tax revenue and foreign-exchange earnings. City-level studies could compare host and non-host locations, while comparative research could examine PSL alongside leagues such as the Indian Premier League and Big Bash League. Future studies should also investigate the sustainability and quality of PSL-related employment and the extent to which infrastructure created or improved for the league is used after the tournament.

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